Note: This document is an English translation of the "Kessan Tanshin" for the fiscal year that ended March 31, 2023 and is provided solely for reference purposes. In the event of any inconsistency between the Japanese and English versions, the Japanese version will govern.

Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (J-GAAP)

April 28, 2023

Company name:	ID Holdings Corporation
Listing:	Tokyo Stock Exchange, Prime Market
Securities code:	4709
URL:	https://www.idnet-hd.co.jp
Company representative:	Masaki Funakoshi, President and Representative Director
Direct inquiries to:	Yasuhiro Araki, Corporate Officer Manager, Corporate Strategy Department Tel: +81 3-3262-5177
Scheduled date of the Annual General Meeting of Shareholders:	June 23, 2023
Scheduled date of dividend payment:	June 26, 2023
Scheduled date of filing of the Annual Securities Report:	June 26, 2023
Preparation of supplementary materials on financial results:	Yes
Presentation on results:	Yes (for institutional investors and financial analysts)

(Amounts of less than ¥1 million are truncated)

1. Consolidated Financial Results for FY2022 (April 1, 2022–March 31, 2023)

(1) Consolidated Business Results

(% indicates YoY changes)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%
FY2022	31,101	11.9	2,424	29.7	2,504	30.3	1,402	34.1
FY2021	27,805	–	1,869	–	1,922	–	1,046	–

Note: Comprehensive income FY2022 ¥1,667 million (40.8%) FY2021 ¥1,184 million (–%)

	Net income per share	Diluted net income per share	Return on equity	Return on assets	Operating income margin
	¥	¥	%	%	%
FY2022	84.54	–	14.2	14.8	7.8
FY2021	61.61	61.50	11.2	11.6	6.7

Reference: Equity in income of affiliates FY2021 ¥– million FY2021 ¥– million

	EBITDA		EPS before amortization of goodwill	
	¥ million	%	¥	%
FY2022	3,033	21.8	111.33	26.8
FY2021	2,491	–	87.78	–

Notes: 1. From the beginning of the previous consolidated fiscal year under review, the Group applies the Accounting Standard for Revenue Recognition (Accounting Standards Board of Japan (ASBJ) Statement No. 29, March 31, 2020) of the Japanese generally accepted accounting principles (J-GAAP). The numerical figures in the above FY2021 consolidated business results constitute the figures after the application of this standard. As such, YoY comparisons are not provided.

2. On July 1, 2021, the Group executed a share split at a ratio of 1.5 new shares per previous common share. The figures for net income per share, diluted net income per share and EPS before amortization of goodwill are calculated as if this share split had occurred at the beginning of the previous consolidated fiscal year.

3. Diluted net income per share for the consolidated fiscal year under review is not listed because none exists.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Book value per share
	¥ million	¥ million	%	¥
FY2022	17,519	10,432	59.3	625.64
FY2021	16,238	9,446	57.9	566.65

Reference: Equity FY2022 ¥10,382 million FY2021 ¥9,400 million

Notes: 1. From the beginning of the previous consolidated fiscal year under review, the Group applies the Accounting Standard for Revenue Recognition (Accounting Standards Board of Japan (ASBJ) Statement No. 29, March 31, 2020) of the Japanese generally accepted accounting principles (J-GAAP). The numerical figures in the above FY2021 consolidated financial position constitute the figures after the application of this standard.

2. On July 1, 2021, the Group executed a share split at a ratio of 1.5 new shares per previous common share. The figures for book value per share are calculated as if this share split had occurred at the beginning of the previous consolidated fiscal year.

(3) Consolidated Cash Flow

	Cash flows from operating activities	Cash flows from investment activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	¥ million	¥ million	¥ million	¥ million
FY2022	1,654	–360	–1,275	4,801
FY2021	1,842	–9	–1,889	4,713

2. Dividends

	Annual dividends					Total amount of cash dividends (annual)	Payout ratio (consolidated)	Dividend on equity (consolidated)
	End of the first quarter	End of the second quarter	End of the third quarter	End of the fiscal period	Total			
	¥	¥	¥	¥	¥	¥ million	%	%
FY2021	–	20.00	–	20.00	40.00	690	64.9	7.2
FY2022	–	20.00	–	25.00	45.00	767	53.2	7.5
FY2023 (forecast)	–	25.00	–	25.00	50.00		54.6	

3. Forecasts of Consolidated Results for FY2023 (April 1, 2023–March 31, 2024)

(% indicates YoY changes)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Net income per share
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥
FY2023 (full fiscal year)	32,800	5.5	2,630	8.5	2,650	5.8	1,520	8.4	91.59

	EBITDA		EPS before amortization of goodwill	
	¥ million	%	¥	%
FY2023 (full fiscal year)	3,269	7.8	118.38	6.3

*Notes

(1) Changes in important subsidiaries during the period
Changes in specified subsidiaries resulting in change in consolidation scope: No

(2) Changes in accounting policies, changes in accounting estimates and restatements

(i) Changes in accounting policies due to revisions of accounting standards, etc.: Yes

(ii) Changes in accounting policies other than (i): No

(iii) Changes in accounting estimates: No

(iv) Restatements: No

Note: For details, please refer to (5) Notes on Consolidated Financial Statements (Changes in Accounting Policies) under Section 3. Consolidated Financial Statements and Important Notes on page 17 of the Attachment.

(3) Number of shares outstanding (common stock)

(i) Number of shares outstanding (inclusive of treasury stock)	FY2022	18,066,453 shares	FY2021	18,066,453 shares
(ii) Amount of treasury stock	FY2022	1,471,167 shares	FY2021	1,476,462 shares
(iii) Interim average number of shares	FY2022	16,591,639 shares	FY2021	16,983,271 shares

Note: On July 1, 2021, the Group executed a share split at a ratio of 1.5 new shares per previous common share. The figures for number of shares outstanding, amount of treasury stock and interim average number of shares are calculated as if this share split had occurred at the beginning of the previous consolidated fiscal year.

(4) Calculation of certain management indices

- EBITDA = Operating income + depreciation + amortization of goodwill
- EPS before amortization of goodwill = Net income after adjustments* ÷ interim average number of shares

*Net income after adjustments = Net income attributable to owners of parent + amortization of goodwill

Reference: Outline of unconsolidated financial results

1. Unconsolidated Financial Results for FY2022 (April 1, 2022–March 31, 2023)

(1) Unconsolidated Business Results (% indicates YoY changes)

	Operating revenue		Operating income		Ordinary income		Net income	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%
FY2022	4,192	116.6	1,477	36.5	1,506	37.9	1,388	29.7
FY2021	1,935	–6.2	1,082	–16.6	1,092	–18.8	1,070	–11.9

	Net income per share	Diluted net income per share
	¥	¥
FY2022	83.66	–
FY2021	63.02	62.91

Note: 1. On July 1, 2021, the Group executed a share split at a ratio of 1.5 new shares per previous common share. The figures for net income per share and diluted net income per share are calculated as if this share split had occurred at the beginning of the previous fiscal year.

2. Diluted net income per share for the fiscal year under review is not listed because none exists.

(2) Unconsolidated Financial Position

	Total assets	Net assets	Equity ratio	Book value per share
	¥ million	¥ million	%	¥
FY2022	12,494	9,299	74.4	560.36
FY2021	11,074	8,410	75.9	506.96

Reference: Equity FY2022 ¥9,299 million FY2021 ¥8,410 million

Note: On July 1, 2021, the Group executed a share split at a ratio of 1.5 new shares per previous common share. The figures for book value per share are calculated as if this share split had occurred at the beginning of the previous fiscal year.

* The Consolidated Financial Results are not subject to audit by a certified public accountant or audit corporation.

* Qualitative information relating to the appropriate use of results forecasts, and other noteworthy items

Results forecasts are estimates based on the information that was available as of the day the results were announced, and some of this information may be uncertain. The actual results, etc. may be different from the forecasts because of changes in business conditions, etc. See (5) Forecast under Section 1. Summary of Business Results, etc. on page 6 of the Attachment for the assumptions that form the basis of results forecasts and other things to remember when relying on results forecasts.

The ID Group has also introduced a board benefit trust (BBT) and Japanese employee stock ownership plan (J-ESOP). Company shares held by Custody Bank of Japan, Ltd. (Trust Account E) as trust property for the BBT and J-ESOP plans are included in treasury stock.

(Method of obtaining supplementary explanatory materials regarding results and details of the results briefing)

The ID Group will hold a results briefing for institutional investors and analysts on May 26, 2023. The materials that will be distributed at the briefing will be posted on the Group website promptly after the briefing.

Contents

1. Summary of Business Results, etc.

(1) Summary of Business Results for the Period

During the consolidated fiscal year under review (April 1, 2022 to March 31, 2023: FY2022), movement restrictions were eased and activity levels in the Japanese economy were expected to recover, as vaccination against COVID-19 progressed. However, the path forward remained unclear amid concerns regarding issues such as high resource prices, driven by the lengthening Russian invasion of Ukraine, and accelerating inflation prompted by depreciation of the yen.

The information services industry, in which the Group is a participant, appears to have regained a firm footing. Demand for IT investment related to digital transformation (DX), the use of digital technology to create new business models or transform existing ones, has formed a solid base and is expected to continue on a firm trend. Similarly, while some impact from the COVID-19 pandemic lingers, previously restrained IT investment by corporate customers is continuing on a recovering keynote.

Amid this environment, Group business results were overall favorable. Net sales were ¥31.101 billion (+11.9% YoY). A solid trend in system operation management, software development, cybersecurity, consulting and training were key factors.

Earnings rebounded strongly. Cost of sales rose amid returns to employees and Group reorganization. However, income swelled in tandem with increasing revenues, the high-margin DX-related business expanded and the Group streamlined the work of management divisions. Operating income grew to ¥2.424 billion (+29.7% YoY) and ordinary income leapt to ¥2.504 billion (+30.3% YoY). As a result, despite a loss of ¥112 million from wrap-up of retirement bonus systems at some subsidiaries, net income attributable to owners of parent swelled to ¥1.402 billion (+34.1% YoY). EBITDA was ¥3.033 billion (+21.8% YoY).

In summary, net sales, operating income, ordinary income and net income attributable to owners of parent all increased for the second fiscal year in succession. Each result was the highest ever for the Group.

The Group's business consists of a single segment. Business results for each service are as follows.

(Millions of ¥)

		Previous consolidated accounting period under review (April 1, 2021 to March 31, 2022)	Consolidated accounting period under review (April 1, 2022 to March 31, 2023)	YoY	
				Amount of change	Rate of change (%)
System operation management	Net sales	12,201	13,637	1,436	11.8
	Gross profit	2,941	2,964	22	0.8
	Gross profit margin	24.1%	21.7%	–2.4P	–
Software development	Net sales	10,542	11,458	916	8.7
	Gross profit	2,325	2,535	209	9.0
	Gross profit margin	22.1%	22.1%	0.1P	–
IT infrastructure	Net sales	2,624	2,602	–21	–0.8
	Gross profit	715	644	–71	–10.0
	Gross profit margin	27.3%	24.8%	–2.5P	–
Cybersecurity, consulting and training	Net sales	2,081	2,934	852	41.0
	Gross profit	563	621	57	10.2
	Gross profit margin	27.1%	21.2%	–5.9P	–
Others	Net sales	355	467	111	31.3
	Gross profit	121	36	–84	–69.7
	Gross profit margin	34.2%	7.9%	–26.3P	–
Total	Net sales	27,805	31,101	3,295	11.9
	Gross profit	6,668	6,802	134	2.0
	Gross profit margin	24.0%	21.9%	–2.1P	–

(i) System operation management

The Group expanded transactions by strengthening sales to major IT vendors, and orders expanded from existing finance-related clients. Net sales were ¥13.637 billion (+11.8% YoY).

(ii) Software development

Transactions with major IT vendors swelled as a result of reinforced sales efforts, while major projects with existing customers related to transportation fields that had been postponed were restarted. Orders accepted from existing customers related to finance and the public sector expanded. Net sales grew to ¥11.458 billion (+8.7% YoY).

(iii) IT infrastructure

Although transactions with existing customers related to finance increased, projects with existing customers related to the public sector and in IT were wrapped up. Net sales retreated to ¥2.602 billion (–0.8% YoY).

(iv) Cybersecurity, consulting and training

Orders received in cybersecurity operations grew, product sales quickened and sales of consulting services increased. Net sales mounted to ¥2.934 billion (+41.0% YoY).

(v) Others

Although some rebound was felt from large orders received for product sales in the previous fiscal year, revenues from data entry and product sales overall expanded. Net sales surged to ¥467 million (+31.3% YoY).

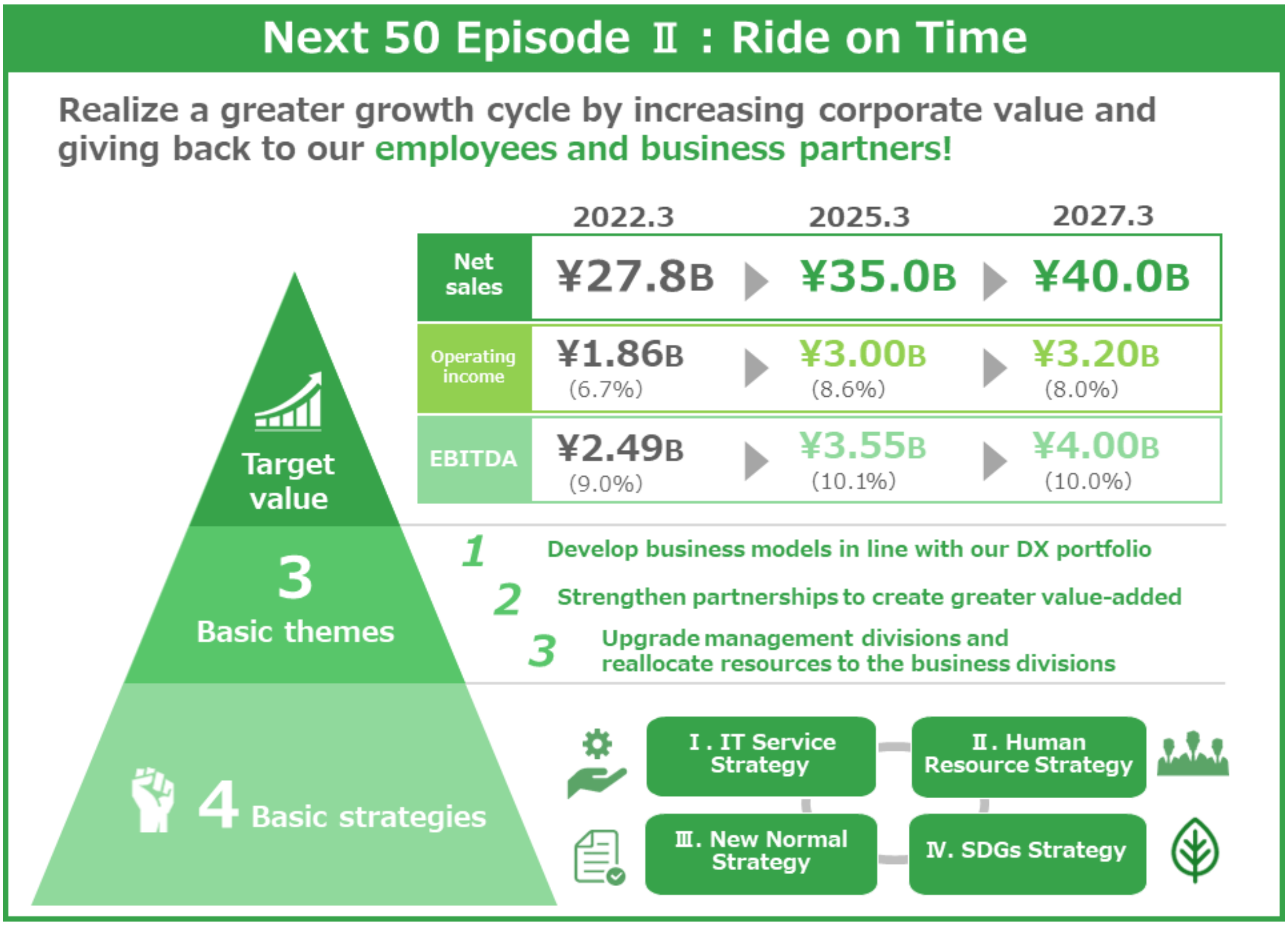
Management Policy Initiatives

In the previous Mid-term Management Plan, the ID Group strove to upgrade its services in various fields by cultivating engineers with a thorough grounding in digital technology, thereby building a foundation for future growth. Beginning in the fiscal year ended March 31, 2023 (FY2022), the Group prepared "Next 50 Episode II: Ride on Time," the Mid-term Management Plan covering the period FY2022 through FY2024, to bolster profitability based on the following three basic themes:

1. Develop business models in line with our DX portfolio, which is focused on strengthening support for advancement of customers' DX and development of original solutions
2. Strengthen partnerships to create greater value-added
3. Upgrade management divisions and reallocate resources to the business divisions

Under this Mid-term Management Plan, the Group is pursuing four basic strategies to achieve the above three basic themes: an IT service strategy, a personnel strategy, a "new normal" strategy and a Sustainable Development Goals (SDGs) strategy.

In the first fiscal year of the current Mid-term Management Plan, the Group dramatically outperformed its initial numerical targets for both net sales and operating income, reaching its highest-ever figures for both. Results also outstripped targets in the second fiscal year of the Plan and business results are continuing to trend firm. The Group has therefore revised its numerical targets. For details, please refer to "Notice Regarding Revision of Numerical Targets in the Mid-term Management Plan and Dividend Forecast (Dividend Increase) for FY2023," published on April 28, 2023.



Note: Business partners refers to IT partners collaborating with the Group on projects.

1) IT Service Strategy

The Group identifies fields of technology where needs are strong and works with corporate partners to support customers in advancing DX and develop original solutions targeting growth fields. To respond to demand for more robust and efficient business continuity plans (BCPs), the Group offered Smart Unyo, an SaaS-type system operation service. To enable operations that are independent of time and place, the Group is developing a virtual operation center, making use of the metaverse. Having launched ID-Ashura, a service brand focused on cybersecurity, in October 2022 the Group began applying a suite of cyber-insurance products. The Group also initiated a strategic partnership with a major US cybersecurity firm to support engineer training for customers aiming to enhance their cybersecurity capabilities.

2) Human Resource Strategy

To expand its DX services and boost value-added, the Group is further enhancing its training programs, accelerating the development of mid- to senior-level engineers and planning-and-proposal staff. In addition to building and operating a made-for-Japan job-description system, the Group aims to provide employees with systems for sharing technical knowledge in-house. Among specific actions, the development division creates training programs on cloud computing, low-code software writing and AI and supports employees in obtaining qualifications in these fields. The Group also provides employees with a DX training environment; in the consolidated fiscal year under review, a total of 437 employees took part.

3) New Normal Strategy

The ID Group is working to streamline and add value to operations through measures such as overhauling its core in-house systems and is constructing a smart administrative division. To bolster Group-wide productivity, the Group is optimizing in-house systems, for example by centralizing data management through an information-sharing platform and examining possible upgrades for its workflow systems. The Group is also reassigning administrative personnel to business divisions, reducing work duplication and advancing work-sharing.

4) SDGs Strategy

The Group takes concerted steps to advance sustainability through its business activities, aiming for a virtuous circle of solving social problems and enhancing corporate value. Through an agreement concluded with the Town of Kofu, Tottori Prefecture, the Group is advancing DX in local government and boosting harmonious cooperation with the region. The Company also converted all of the energy consumption at its headquarters building to sustainable energy, dramatically reducing the greenhouse-gas emissions of the ID Group. Other activities include social-service activities, such as donations of food and picture books to Kodomo Shokudo, a children’s food bank; environmental-maintenance activities such as volunteer beach cleaning, and cultural and artistic activities, including sponsorship of classical-music concerts.

The Group is also committed to diversity and disclosure of human capital, for which it receives enthusiastic praise. In Nikkei surveys of smart work management and SDG management, the Group was awarded three and a half stars and three stars respectively, for two years in a row. The Group also receives kudos from the perspective of health management. In the period under review, the Group earned inclusion for the fourth consecutive year in the list of Excellent Enterprise of Health and Productivity Management (White 500), receiving particular plaudits for its management philosophy, policies and organizational structure.

(2) Summary of Financial Condition for the Period

Assets, liabilities, and net assets

Assets at the end of consolidated accounting period under review increased by ¥1.280 billion from the end of the previous consolidated accounting period, to ¥17.519 billion. Although amortization of goodwill reduced assets by ¥444 million, accounts receivable–trade increased by ¥1.399 billion and cash and deposits increased by ¥161 million.

Liabilities at the end of the consolidated accounting period under review increased by ¥294 million to ¥7.087 billion from the end of the previous consolidated accounting period. While short-term loans payable decreased by ¥160 million, accounts payable–trade increased by ¥202 million and provision for bonuses increased by ¥306 million.

Net assets at the end of the consolidated accounting period under review increased by ¥985 million to ¥10.432 billion from the end of the previous consolidated accounting period. Although year-end and interim dividend payments decreased by ¥680 million, net income attributable to owners of parent increased by ¥1.402 billion and valuation difference on available-for-sale securities increased by ¥188 million.

(3) Summary of Cash Flow for the Period

Cash flows from operating activities	¥1.654 billion (–¥188 million YoY)
Cash flows from investment activities	–¥360 million (–¥350 million YoY)
Cash flows from financing activities	–¥1.275 billion (–¥613 million YoY)
Cash and cash equivalents at end of period	¥4.801 billion (+¥88 million YoY)

Cash flows from operating activities were ¥1.654 billion, as net income before income taxes was ¥2.331 billion, increase in notes and accounts receivable–trade was ¥1.398 billion, and amortization of goodwill was ¥444 million.

Cash flows from investment activities were –¥360 million, as payments into time deposits were ¥145 million, purchase of intangible assets was ¥93 million and purchase of investment securities was ¥77 million.

Cash flows from financing activities were –¥1.275 billion, as repayment of long-term loans payable was ¥432 million and cash dividends paid was ¥677 million.

Thus, cash and cash equivalents at the end of the period rose to ¥4.801 billion, which is a ¥88 million increase over the previous consolidated accounting period.

Reference: Cash flow benchmarks

	FY2018	FY2019	FY2020	FY2021	FY2022
Equity ratio (%)*	56.9	57.0	55.7	57.9	59.3
Equity ratio (%) at fair value	105.5	102.3	86.7	86.4	94.7
Ratio of cash flow to interest-bearing debt (annual)	2.6	0.3	–5.7	1.5	1.3
Interest coverage ratio (multiple)	63.7	263.0	–33.6	96.1	111.6

*Equity ratio: Shareholder equity / total assets

Equity ratio at fair value: Market capitalization / total assets

Ratio of cash flow to interest-bearing debt: Interest-bearing debt / cash flow

Interest coverage ratio: Cash flow / interest payments

1. These benchmarks were calculated based on consolidated financial figures.
2. Market capitalization was calculated based on the closing share price at the end of the period multiplied by the number of shares outstanding (after deducting treasury stock).
3. To determine cash flow, the cash flows from operating activities stated in the Consolidated Cash Flow Statement were used. All debts stated in the consolidated balance sheet on which interest payments are being made are included in the interest-bearing debt. The interest expenses paid stated in the Consolidated Cash Flow Statement were used regarding interest payments.

(4) Basic Policy on Profit Distributions and Dividends for the Current Period and the Next Period

(i) Basic policy on profit distributions

The Group considers the return of profits to shareholders to be one of its chief management priorities. It is making every effort to secure a strong business foundation and improve stable revenues and return on equity. The Group's basic policy is to maintain appropriate distributions of profits based on the business results.

(ii) Dividends for the current period

In view of the robust trend in business results, the Group has increased its forecast of the year-end dividend for the fiscal year under review, from ¥20 per share to ¥25 per share. When combined with the interim dividend of ¥20 per share already distributed, the total dividend per share in the period under review is forecast to be ¥45 per share. (For details, please refer to "Notice of (Upward) Revision of Dividend Forecast," published on March 14, 2023.)

The Group will deploy its internal reserves to expand operations and boost business results. Initiatives include training the engineers the Group needs to deliver value-added IT solutions related to DX; formation of services using new technologies such as Cloud, AI, IoT, Web3 and the Metaverse; acquisition of new products; and investing in promoting the Group's global strategy.

(iii) Dividends for the next period

For the next fiscal year, in view of the robust trend in business results, the Group expects to distribute interim and year-end dividends of ¥25 per share each, for a total dividend of ¥50 per share. The total dividend per share for the next fiscal year is thus ¥5 higher than the ¥45 per share distributed in the fiscal year under review. Also, in the current Mid-term Management Plan (FY2022 through FY2024), the Company is targeting total return ratio*, which includes both dividends and purchase of treasury shares, of 50–60%. (For details, please refer to "Notice Regarding Revision of Numerical Targets in the Mid-term Management Plan and Dividend Forecast (Dividend Increase) for FY2023," published on April 28, 2023.)

* Total return ratio = (total dividends + amount of purchase of treasury stock) ÷ net income attributable to owners of parent

(5) Forecast

The information services industry, to which the ID Group belongs, is expected to continue on a firm footing. Demand for IT investment related to DX has formed a solid base and is expected to maintain a stable glidepath. IT investment by corporate customers, previously scaled back amid the impact of the COVID-19 pandemic, is extending its recovering keynote.

Against this background, and continuing on the roadmap outlined in the current Mid-term Management Plan, "Next 50 Episode II: Ride on Time," the ID Group is setting its sights on improved profitability. To this end, the Group will intensify support for corporate customers seeking to advance DX and will expand entry into new businesses by building out its lineup of original solutions.

Going forward, IT investment related to DX is expected to sustain its current lively pace. As such, the Company expects the ID

Group to continue to turn in solid business results.

In view of the above, the Group's forecast of consolidated business results for FY2023 calls for net sales of ¥32.8 billion (+5.5% over the previous fiscal year (YoY)), operating income of ¥2.63 billion (+8.5% YoY), ordinary income of ¥2.65 billion (+5.8% YoY) and net income attributable to owners of parent of ¥1.52 billion (+ 8.4% YoY).

The above forecast of business results was prepared based on information available at the time of publication. Actual business results may differ from those forecast due to various factors.

2. Basic Approach to the Selection of Accounting Standards

The ID Group is currently basing its accounting policies on consolidated financial statements prepared according to Japanese accounting standards, in light of the ability to compare periods and companies on the consolidated financial statements.

The ID Group will comply appropriately with the IFRS standards considering domestic and international conditions.

3. Consolidated Financial Statements and Important Notes

(1) Consolidated Balance Sheet

(Thousands of ¥)

	Previous consolidated accounting period As of March 31, 2022	Consolidated accounting period under review As of March 31, 2023
Assets		
Current assets		
Cash and deposits	4,908,300	5,069,433
Notes receivable–trade	2,200	2,200
Accounts receivable–trade	4,503,942	5,903,800
Contract assets	419,034	293,657
Work in process	18,010	858
Accounts receivable–other	297,217	153,382
Other	233,028	265,957
Allowance for doubtful accounts	–40,068	–40,068
Total current assets	10,341,666	11,649,222
Non-current assets		
Property, plant and equipment		
Buildings and structures	1,527,116	1,530,802
Accumulated depreciation	–687,785	–725,496
Buildings and structures (net)	839,331	805,305
Motor vehicles and transport equipment	16,616	10,141
Accumulated depreciation	–10,678	–6,394
Motor vehicles and transport equipment (net)	5,938	3,747
Machines and equipment	15,720	15,664
Accumulated depreciation	–15,720	–15,664
Machines and equipment (net)	0	0
Tools, appliances, and accessories	566,030	561,381
Accumulated depreciation	–429,936	–454,394
Tools, appliances, and accessories (net)	136,093	106,987
Land	411,148	411,148
Construction in progress	5,939	—
Total property, plant and equipment	1,398,451	1,327,189
Intangible assets		
Goodwill	1,748,603	1,304,134
Software	105,729	152,791
Other	6,194	764
Total intangible assets	1,860,527	1,457,690
Investments and other assets		
Investment securities	1,515,460	1,865,067
Deferred tax assets	526,419	553,277
Guarantee deposits	308,601	285,952
Other	295,259	388,449
Allowance for doubtful accounts	–7,500	–7,500
Total investments and other assets	2,638,241	3,085,248
Total non-current assets	5,897,220	5,870,127
Total assets	16,238,886	17,519,349

(Thousands of ¥)

	Previous consolidated accounting period As of March 31, 2022	Consolidated accounting period under review As of March 31, 2023
Liabilities		
Current liabilities		
Accounts payable–trade	945,314	1,147,457
Contract liabilities	47,510	62,077
Short-term loans payable	1,560,000	1,400,000
Current portion of long-term loans payable	432,933	375,100
Income taxes payable	647,216	580,112
Provision for bonuses	827,876	1,134,387
Provision for directors’ bonuses	13,324	31,600
	–	10,095
Other	1,021,163	1,216,611
Total current liabilities	5,495,341	5,957,442
Non-current liabilities		
Long-term loans payable	725,100	350,000
Deferred tax liabilities	234,376	286,834
Provision for directors’ retirement benefits	25,332	29,331
Net retirement benefit liability	51,832	174,944
Other	260,686	288,600
Total non-current liabilities	1,297,328	1,129,710
Total liabilities	6,792,669	7,087,153
Net assets		
Shareholders' equity		
Capital stock	592,344	592,344
Capital surplus	733,644	754,132
Retained earnings	8,096,543	8,819,108
Treasury stock	–817,549	–836,345
Total shareholders’ equity	8,604,982	9,329,240
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	567,216	755,600
Foreign currency translation adjustment	224,026	297,086
Remeasurements of retirement benefit plans	4,477	711
Total accumulated other comprehensive income	795,720	1,053,398
Non-controlling interests	45,514	49,557
Total net assets	9,446,217	10,432,196
Total liabilities and net assets	16,238,886	17,519,349

(2) Consolidated Statement of Income and Comprehensive Income

(Consolidated Statement of Income)

(Thousands of ¥)

	Previous consolidated accounting period (April 1, 2021 to March 31, 2022)	Consolidated accounting period under review (April 1, 2022 to March 31, 2023)
Net sales	27,805,949	31,101,353
Cost of sales	21,137,612	24,298,736
Gross profit	6,668,337	6,802,616
Selling, general, and administrative expenses		
Directors' compensation	329,669	352,540
Salary allowances and bonuses	1,700,910	1,232,423
Provision for bonuses	123,741	152,595
Provision for directors' bonuses	16,100	37,257
Retirement benefit expenses	61,954	47,907
Provision for directors' retirement benefits	5,804	6,285
Statutory welfare expenses	410,559	350,230
Land rent	314,677	323,851
Depreciation	154,373	142,155
Amortization of goodwill	444,469	444,469
Other	1,237,021	1,287,992
Total selling, general, and administrative expenses	4,799,282	4,377,710
Operating income	1,869,054	2,424,906
Non-operating income		
Interest income	2,553	2,149
Dividend income	21,910	34,344
Insurance proceeds and dividends	8,191	10,668
Subsidy income	11,256	20,381
Foreign exchange gains	1,313	424
Other	51,683	29,462
Total non-operating income	96,908	97,431
Non-operating expenses		
Interest expenses	19,177	14,819
Commitment line fees	19,322	308
Other	4,755	2,873
Total non-operating expenses	43,255	18,001
Ordinary income	1,922,707	2,504,336

(Thousands of ¥)

	Previous consolidated accounting period (April 1, 2021 to March 31, 2022)	Consolidated accounting period under review (April 1, 2022 to March 31, 2023)
Extraordinary income		
Gain on sales of non-current assets	1,018	–
Gain on sales of investment securities	27,258	–
Gain on reversal of subscription rights to shares	4,036	–
Total extraordinary income	32,313	–
Extraordinary losses		
Loss on sales of non-current assets	104	599
Loss on retirement of non-current assets	2,396	22,451
Office relocation expenses	15,755	–
Loss on office closings	–	37,271
Loss on termination of retirement benefit plan	–	112,184
Total extraordinary losses	18,256	172,506
Net income before income taxes	1,936,764	2,331,830
Income taxes–current	878,693	978,677
Income taxes–deferred	2,733	–56,284
Total income taxes	881,426	922,393
Net income	1,055,338	1,409,436
Net income attributable to non-controlling interests	8,998	6,795
Net income attributable to owners of parent	1,046,340	1,402,641

(Consolidated Statement of Comprehensive Income)

(Thousands of ¥)

	Previous consolidated accounting period (April 1, 2021 to March 31, 2022)	Consolidated accounting period under review (April 1, 2022 to March 31, 2023)
Net income	1,055,338	1,409,436
Other comprehensive income		
Valuation difference on available-for-sale securities	24,098	188,383
Foreign currency translation adjustment	103,801	73,060
Remeasurements of retirement benefit plans	956	–3,766
Total other comprehensive income	128,857	257,677
Comprehensive income	1,184,195	1,667,114
(Breakdown)		
Comprehensive income attributable to owners of parent	1,175,197	1,660,319
Comprehensive income attributable to non-controlling interests	8,998	6,795

(3) Consolidated Statement of Changes in Shareholders' Equity

Previous consolidated accounting period (April 1, 2021 to March 31, 2022)

(Thousands of ¥)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balances at the beginning of the period	592,344	734,925	7,680,821	−313,516	8,694,574
Cumulative effects of changes in accounting policies			12,466		12,466
Restated balance	592,344	734,925	7,693,288	−313,516	8,707,041
Changes during the period					
Dividends from surplus			−643,085		−643,085
Net income attributable to owners of parent			1,046,340		1,046,340
Acquisition of treasury stock				−523,085	−523,085
Disposition of treasury stock		−1,280		19,052	17,771
Net changes of items other than shareholders' equity					
Total changes during the period	—	−1,280	403,254	−504,033	−102,058
Balances at the end of the period	592,344	733,644	8,096,543	−817,549	8,604,982

	Accumulated other comprehensive income				Subscription rights to shares	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of retirement benefit plans	Total accumulated other comprehensive income			
Balances at the beginning of the period	543,118	120,224	3,520	666,863	6,746	39,843	9,408,028
Cumulative effects of changes in accounting policies							12,466
Restated balance	543,118	120,224	3,520	666,863	6,746	39,843	9,420,495
Changes during the period							
Dividends from surplus							−643,085
Net income attributable to owners of parent							1,046,340
Acquisition of treasury stock							−523,085
Disposition of treasury stock							17,771
Net changes of items other than shareholders' equity	24,098	103,801	956	128,857	−6,746	5,670	127,780
Total changes during the period	24,098	103,801	956	128,857	−6,746	5,670	25,722
Balances at the end of the period	567,216	224,026	4,477	795,720	—	45,514	9,446,217

Consolidated accounting period under review (April 1, 2022 to March 31, 2023)

(Thousands of ¥)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balances at the beginning of the period	592,344	733,644	8,096,543	−817,549	8,604,982
Cumulative effects of changes in accounting policies					–
Restated balance	592,344	733,644	8,096,543	−817,549	8,604,982
Changes during the period					
Dividends from surplus			−680,075		−680,075
Net income attributable to owners of parent			1,402,641		1,402,641
Acquisition of treasury stock				−79,953	−79,953
Disposition of treasury stock		20,487		61,157	81,645
Net changes of items other than shareholders' equity					
Total changes during the period	–	20,487	722,565	−18,795	724,257
Balances at the end of the period	592,344	754,132	8,819,108	−836,345	9,329,240

	Accumulated other comprehensive income				Subscription rights to shares	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of retirement benefit plans	Total accumulated other comprehensive income			
Balances at the beginning of the period	567,216	224,026	4,477	795,720	–	45,514	9,446,217
Cumulative effects of changes in accounting policies							–
Restated balance	567,216	224,026	4,477	795,720	–	45,514	9,446,217
Changes during the period							
Dividends from surplus							−680,075
Net income attributable to owners of parent							1,402,641
Acquisition of treasury stock							−79,953
Disposition of treasury stock							81,645
Net changes of items other than shareholders' equity	188,383	73,060	−3,766	257,677	–	4,043	261,720
Total changes during the period	188,383	73,060	−3,766	257,677	–	4,043	985,978
Balances at the end of the period	755,600	297,086	711	1,053,398	–	49,557	10,432,196

(4) Consolidated Cash Flow Statement

(Thousands of ¥)

	Previous consolidated accounting period (April 1, 2021 to March 31, 2022)	Consolidated accounting period under review (April 1, 2022 to March 31, 2023)
Cash flows from operating activities		
Net income before income taxes	1,936,764	2,331,830
Depreciation	178,208	164,418
Amortization of goodwill	444,469	444,469
Gain on reversal of subscription rights to shares	−4,036	–
Loss on retirement of non-current assets	2,396	22,451
Loss (gain) on sales of non-current assets	−914	599
Office relocation expenses	15,755	–
Loss on office closings	–	37,271
Loss on termination of retirement benefit plan	–	112,184
Loss (gain) on sales of investment securities	−27,258	–
Increase (decrease) in provision for bonuses	31,936	306,510
Increase (decrease) in provision for directors' bonuses	−4,947	18,275
Increase (decrease) in net defined benefit liability	−89,619	5,167
Increase (decrease) in provision for directors' retirement benefits	−100,170	3,999
Increase (decrease) in provision for product warranties	–	10,095
Interest income and dividend income	−24,463	−36,494
Interest expenses	19,177	14,819
Foreign exchange losses (gains)	−8,633	−7,298
Decrease (increase) in notes and accounts receivable–trade	116,456	−1,398,275
Decrease (increase) in inventories	25,457	20,422
Increase (decrease) in notes and accounts payable–trade	57,840	197,774
Increase (decrease) in amounts payable–other	32,172	−59,611
Increase (decrease) in accrued consumption tax, etc.	−25,944	152,249
Decrease (increase) of other current assets	−132,080	257,742
Increase (decrease) in other current liabilities	−111,101	81,319
Decrease (increase) in other non-current assets	−7,599	−109,284
Increase (decrease) in other non-current liabilities	45,096	31,507
Other	29,644	78,928
Subtotal	2,398,607	2,681,073
Interest and dividend income received	24,465	36,494
Interest expenses paid	−19,177	−14,819
Office relocation expenses paid	−15,755	–
Corporation tax, etc. paid	−545,450	−1,048,607
Net cash provided by (used in) operating activities	1,842,689	1,654,140
Cash flows from investment activities		
Payments into time deposits	−26,402	−145,087
Proceeds from withdrawal of time deposits	187,513	7,009
Purchase of property, plant and equipment	−123,736	−54,515
Proceeds from sales of property, plant and equipment	27,918	216
Purchase of intangible assets	−37,068	−93,685
Purchase of investment securities	−46,727	−77,690
Proceeds from sales of investment securities	35,116	100
Collection of long-term loans receivable	263	282
Other	−26,281	2,976
Net cash provided by (used in) investing activities	−9,403	−360,393

(Thousands of ¥)

	Previous consolidated accounting period (April 1, 2021 to March 31, 2022)	Consolidated accounting period under review (April 1, 2022 to March 31, 2023)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	–960,000	–160,000
Proceeds from long-term loans payable	800,000	–
Repayment of long-term loans payable	–543,733	–432,933
Redemption of bonds	–26,000	–
Purchase of treasury stock	–523,085	–79,953
Proceeds from sales of treasury stock	15,061	81,645
Cash dividends paid	–642,753	–677,038
Cash dividends paid to non-controlling interests	–3,328	–2,752
Other	–5,261	–4,344
Net cash provided by (used in) financing activities	–1,889,099	–1,275,375
Effect of exchange rate changes on cash and cash equivalents	97,959	69,767
Net increase (decrease) in cash and cash equivalents	42,146	88,138
Cash and cash equivalents at beginning of period	4,671,217	4,713,364
Cash and cash equivalents at end of period	4,713,364	4,801,503

(5) Notes on Consolidated Financial Statements

(Notes on Assumptions Regarding Going Concern)

None.

(Changes in Accounting Policies)

(Application of the Accounting Standard for Fair Value Measurement)

The Accounting Standard for Fair Value Measurement (Accounting Standards Board of Japan (ASBJ) Statement No. 31, June 17, 2021) of the Japanese generally accepted accounting principles (J-GAAP) (hereinafter “the Accounting Standard for Fair Value Measurement”) is applied from the beginning of the consolidated fiscal year under review. In accordance with the stipulations on transitional handling in Paragraph 27-2 of the Accounting Standard for Fair Value Measurement, the new accounting policy stipulated in the Accounting Standard for Fair Value Measurement, etc. will be applied in the future. This application has no effect on the consolidated financial statements.

(Additional Information)

(Estimation of accounts in view of the COVID-19 pandemic)

The Group calculates the estimates in its accounts of amounts of recoverable deferred tax assets based on information available at the time of preparation of the consolidated financial statements.

It is impossible to predict with any accuracy when the COVID-19 pandemic will end. However, its impact on Group operations during the consolidated accounting period under review was limited. For this reason, the estimates of accounts are based on the assumption that the impact of the pandemic will be limited in the future as well.

If changes occur in the economic environment as a result of the COVID-19 pandemic, those changes may impact the financial condition and business results of the Group as well.

(Trades involving the delivery of Company shares to employees, etc. through a trust)

The ID Group introduced two performance pay plans: a “board benefit trust (BBT) plan” for Group directors and executive officers (“Directors, etc.”), and a “Japanese employee stock ownership plan (J-ESOP)” for Group employees. The former is designed to encourage Directors, etc. to contribute to better mid- to long-term results and greater corporate value, and the latter is designed to motivate employees to increase the share price and improve results.

(1) How the Plans Work

At a meeting held on April 30, 2015, the Board of Directors approved the BBT for Directors, etc. as a way to provide directors’ compensation. The BBT is a performance pay plan under which Company shares are acquired through a trust using money contributed by the ID Group, and those Company shares are then awarded to Directors, etc. through the trust based on their job performance, etc. as stipulated by the Officer Stock Benefit Rules established by the ID Group. Directors, etc. are generally eligible to receive the award of Company shares when they retire.

Under the J-ESOP, the ID Group awards shares to employees who satisfy certain conditions as stipulated under the Stock Benefit Rules previously established by the ID Group.

The ID Group awards points to the employees based on their years of service or promotions, and issues Company shares to the employees commensurate with the points that the employees have been awarded. The shares to be awarded to the employees in the future are acquired through a previously established trust, and those shares are segregated and managed as trust property.

(2) Notes on the ID Group shares held in trust

Shares in the ID Group held by BBT and J-ESOP at the end of the consolidated fiscal period under review are listed in the consolidated balance sheet under “Net Assets” as “Treasury Stock.” The book value of these shares was ¥133,298,000 at the end of the previous consolidated fiscal period and was ¥208,371,000 at the end of the consolidated fiscal period under review. The number of shares was 365,197 at the end of the previous consolidated fiscal period and was 452,217 at the end of the consolidated fiscal period under review.

(Segment Information, etc.)

[Segment Information]

The Group has only one segment, “information service business.” Accordingly, this item is omitted.

[Related Information]

Previous consolidated accounting period (April 1, 2021 to March 31, 2022)

1. Information by Product and Service

The Group has only one segment, “information service business.” Accordingly, this item is omitted.

2. Information by Region

(1) Net sales

Omitted. Net sales to external clients in Japan make up more than 90% of the net sales reported in the consolidated statement of income.

(2) Property, plant and equipment

Omitted. The amount of property, plant and equipment located in Japan makes up more than 90% of the amount of the property, plant and equipment reported in the consolidated balance sheet.

3. Information by Major Client

In net sales to external clients, no individual client accounts for 10% or more of net sales as reported in the consolidated statement of income, so this item is omitted.

Consolidated accounting period under review (April 1, 2022 to March 31, 2023)

1. Information by Product and Service

The Group has only one segment, “information service business.” Accordingly, this item is omitted.

2. Information by Region

(1) Net sales

Omitted. Net sales to external clients in Japan make up more than 90% of the net sales reported in the consolidated statement of income.

(2) Property, plant and equipment

Omitted. The amount of property, plant and equipment located in Japan makes up more than 90% of the amount of the property, plant and equipment reported in the consolidated balance sheet.

3. Information by Major Client

In net sales to external clients, no individual client accounts for 10% or more of net sales as reported in the consolidated statement of income, so this item is omitted.

[Information on Non-current Asset Impairment Losses by Reporting Segment]

None.

[Information on Depreciated Amount of Goodwill and Undepreciated Balances for Each Reporting Segment]

The Group has only one segment, “information service business.” Accordingly, this item is omitted.

[Information on Gain on Bargain Purchase by Reporting Segment]

None.

(Per-Share Information)

	Previous consolidated accounting period (April 1, 2021 to March 31, 2022)	Consolidated accounting period under review (April 1, 2022 to March 31, 2023)
Book value per share	¥566.65	¥625.64
Net income per share	¥61.61	¥84.54

Diluted net income per share	¥61.50	―

Notes: 1. On July 1, 2021, the Group executed a share split at a ratio of 1.5 new shares per previous common share. The figures for book value per share, net income per share and diluted net income per share are calculated as if this share split had occurred at the beginning of the previous consolidated fiscal year.

2. The number of Company shares held by Custody Bank of Japan, Ltd. (Trust Account E) as the trust property regarding the board benefit trust (BBT) and Japanese employee stock ownership plan (J-ESOP) is included in the number of common shares that were treasury stock at the end of the period for calculating the book value per share, and is included in the treasury stock to be deducted in the calculation of the interim average number of shares for calculating the net income per share and the diluted net income per share. The trust account held 365,197 shares at the end of the previous consolidated accounting period, and 452,217 shares at the end of the current consolidated accounting period. The interim average number of shares was 367,282 shares in the previous consolidated accounting period, and 448,896 shares for the current consolidated accounting period.

3. Diluted net income per share for the consolidated fiscal year under review is not listed because none exists.

4. The basis for calculating the net income per share and the diluted net income per share is stated below.

	Previous consolidated accounting period (April 1, 2021 to March 31, 2022)	Consolidated accounting period under review (April 1, 2022 to March 31, 2023)
Net income per share		
Net income attributable to owners of parent	¥1,046,340,000	¥1,402,641,000
Amounts not attributable to common shareholders	―	―
Net income attributable to owners of parent regarding common stock	¥1,046,340,000	¥1,402,641,000
Interim average number of shares	Common stock: 16,983,271 shares	Common stock: 16,591,639 shares
Diluted net income per share		
Adjusted net income attributable to owners of parent	―	―
Increase in common stock	29,410 shares	― shares
(portion of these shares that are stock options deriving from the subscription-rights-to-shares method)	(29,410 shares)	(― shares)
Summary of residual securities excluded from the calculation of the diluted net income per share because there was no dilutive effect	―	―

5. The number of Company shares held by Custody Bank of Japan, Ltd. (Trust Account E) as the trust property regarding the board benefit trust (BBT) and Japanese employee stock ownership plan (J-ESOP) is included in the number of common shares that were interim average treasury stock for calculating the net income per share and the diluted net income per share.

(Material Subsequent Events)

None.